

Message Text

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ACTION NEA-10

INFO OCT-01 ARA-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 MC-02 AID-05 ACDA-10 OMB-01 TRSE-00 EB-08
COME-00 /103 W

-----082101Z 097634 /63

R 081425Z FEB 77
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 4798
INFO AMEMBASSY AMMAN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LIMA
AMEMBASSY QUITO
AMCONSUL JERUSALEM

UNCLAS TEL AVIV 0958

E.O. 11652: N/A
TAGS: IS, EC, MASS
SUBJECT: INITIAL ISRAELI REACTION TO U.S. VETO OF KFIR SALE TO
ECUADOR

REF: TEL AVIV 911

1. ISRAELI MEDIA FEBRUARY 8 HIGHLIGHT THE U.S. DECISION
NOT TO APPROVE THE SALE OF KFIR FIGHTERS TO ECUADOR.
STORIES ON THE SUBJECT ARE BASED ON STATEMENTS BY THE
DEPARTMENT'S SPOKESMAN TO REPORTERS OUTLINING U.S.
POLICY AGAINST THE TRANSFER OF SOPHISTICATED AIRCRAFT
TO LATIN AMERICA.

2. HAARETZ'S MARGALIT WROTE THAT ISRAEL HAS RENEWED
ITS REQUEST FOR U.S. APPROVAL FOR THE KFIR SALE TO
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ECUADOR, BUT CITED ISRAELI CIRCLES AS BEING PESSIMISTIC
SINCE ECUADOR DOES NOT APPEAR TO BE READY TO WAIT LONG
ENOUGH FOR ISRAEL TO TRY AND OBTAIN A REVERSAL OF
THE U.S. DECISION. MARGALIT REPORTED THAT AMBASSADOR
DINITZ RAISED NEW ARGUMENTS IN FAVOR OF THE ALE
DURING HIS MEETING FEBRUARY 7 WITH SECRETARY VANCE,
"ALTHOUGH HE HAD NOT SUBMITTED AN OFFICIAL REQUEST."

3. THE JERUSALEM POST (ZEEV SCHUL) CITED INFORMED SOURCES AS SAYING THAT AMERICAN CLAIMS THAT THEY HAD BEEN IGNORANT OF NEGOTIATIONS FOR THE KFIR SALE WERE "DOWNRIGHT UNTRUTHS." THE TALKS HAD BEEN STRETCHED OUT FOR SIX MONTHS, AND THE \$180 MILLION DEAL WAS SIGNED A FEW WEEKS AGO, WITH THE AMERICANS KEPT INFORMED ALL ALONG THE LINE, SCHUL'S SOURCES SAID.

4. ISRAEL WILL STEP UP PRESSURE ON THE U.S. ADMINISTRATION OVER THE ISSUE OF CO-PRODUCTION OF THE F-16, NOW THAT THE U.S. HAS REFUSED TO ALLOW THE KFIR SALE, ACCORDING TO DAVAR (BARNEA). A NEW ROUND OF CONTACTS ON THIS SUBJECT WILL BE OPENED WITHIN THE NEXT FEW DAYS, BARNEA REPORTED. IN A SEPARATE, LENGTHY ARTICLE ENTITLED "THE KFIR--FIRST CONFRONTATION WITH THE CARTER ADMINISTRATION," BARNEA EXPLAINED SOME OF THE BACKGROUND OF THE AFFAIR. SEVERAL MONTHS AFTER THE PLANE WAS UNVEILED TO THE PUBLIC, THE ISRAELI AIRCRAFT INDUSTRIES WAS COMPELLED TO PROPOSE THE KFIR FOR EXPORT BECAUSE OF THE HIGH COST OF AMERICAN WARPLANES AND A SHORTAGE OF FUNDS IN THE ISRAELI DEFENSE ESTABLISHMENT. AT THE SAME TIME, IT WAS DECIDED TO PUT OFF FOR AS LONG AS POSSIBLE INFORMING THE U.S. OF THE KFIR EXPORT EFFORTS, AND ISRAEL EVEN CARRIED OUT A SALE OF OLD SUPER-MYSTERE PLANES WITH U.S. ENGINES TO HONDURAS WITHOUT TELLING THE AMERICANS. THE HONDURAN DEAL CAST A SHADOW ON ISRAEL'S LAST CONTACTS WITH THE FORD ADMINISTRATION, AND MAY HAVE

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PLAYED A PART IN AMERICA'S SUBSEQUENT CONSIDERATIONS ON THE PROPOSED ECUADOR SALE, WHICH THEY FIRST LEARNED OF THROUGH U.S. INTELLIGENCE SOURCES, NOT FROM ISRAEL. IN WASHINGTON, THE CARTER ADMINISTRATION WAS PLACED IN AN AWKWARD POSITION--IT HAD MADE A CAMPAIGN ISSUE OF EXCESSIVE ARMS SALES WORLDWIDE, AND STOOD TO LOSE CREDIBILITY IF THE ISRAELI REQUEST WERE APPROVED. SOME OFFICIALS WERE AGAINST THE KFIR DEAL ON THESE GROUNDS, BUT OTHERS, NOTABLY UNDER SECRETARY HABIB, SHOWED UNDERSTANDING FOR ISRAEL'S POSITION. DESPITE ISRAELI MUSTERING OF CONGRESSIONAL SUPPORT, ADMINISTRATION OPPONENTS OF THE DEAL GRADUALLY GAINED GROUND AND A DECISION WAS MADE AT THE TOP LEVELS, POSSIBLY BY PRESIDENT CARTER HIMSELF. THE U.S. CAMPAIGN AGAINST THE ARMS RACE MAY IN FUTURE PENALIZE ISRAEL TWICE OVER: ONE AS AN ARMS SELLER AND A SECOND TIME AS A BUYER, BARNEA CONCLUDES.

5. THERE IS LITTLE EDITORIAL COMMENT. DAVAR

ALONE ADDRESSED THE SUBJECT, SAYING THAT SOME TACTICAL ERRORS MAY HAVE BEEN COMMITTED (BY ISRAEL) IN THE WAY THE DEAL WITH ECUADOR WAS ARRANGED, THEREBY AROUSING UNNECESSARY SUSPICION IN THE U.S. BUT SUCH A MISTAKE NEED NOT PREVENT THE AMERICAN ADMINISTRATIN FROM APPROVING THE DEAL. DAVAR SAYS THAT ECUADORAN MIRAGES OR MIGS MIGHT ENGAGE ECUADOR IN POLITICAL INVOLVEMENT OF A NOT NECESSARILY PRO-AMERICANNATURE. AMERICAN PERMISSION WOULD BE A SIGNIFICANT GESTURE TOWARDS ISREL WHICH WOULD NOT ADERSELY AFFECT AMERICAN INTERESTS, THE EDITORIAL CONCLUDES.

6. COMMEN: COVERAGE OF THE VANCE-DINITZ MEETING IS UNSENSATIONAL.THE ISRAELI AMBASSADOR IS SIMPLY REPORTED TO HAVE PUT FORWARD SOME ADDITIONAL INFORMATION.THE SECRETARY'S RESPONSE WAS NOT REPORETED.
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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition History: n/a
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